NATIONAL CANNERS ASSOCIATION

INFORMATION LETTER

PUBLICATION OR REPRODUCTION NOT PERMITTED

No. 453 Washington, D. C. May 7, 1932

PROSPECTS OF TOMATOES FOR CANNING

The important points to keep in mind in deciding upon the 1932 acreage of tomatoes for manufacture, as presented in a statement issued by the U. S. Bureau of Agricultural Economics, are: With demand conditions less favorable now than a year ago, more difficulties might be met in moving a supply as large as last year's supply of 12,500,000 to 13,000,000 cases. The carry-over will be negligible. With average yields, 272,000 acres, or 92.4 per cent of last year's acreage would produce around 1,170,000 tons, or somewhat less than 12,000,000 cases.

Prices at which American tomato canners can sell their product depend very largely upon the size of the pack of American tomatoes, but is affected in no small degree by the supplies of imported canned tomatoes and fresh tomatoes either produced locally or imported. Canned tomato prices during the ten-year period ending 1929 were, in the light of these highly competitive supply conditions, surprisingly stable. This relative stability can be accounted for in large part by the fact that the tomato canning industry has adjusted its packs more closely to demand conditions than have the majority of the canners of other vegetables. There have, however, been years when unusually large packs have resulted in low prices and also when short packs have commanded high prices. The 1925 pack was an example of the former situation and the 1921 and 1928 packs of the latter.

Imports of canned tomatoes increased from 36,543 cases in 1919-20 to over 3,250,000 cases during the fiscal year 1928-29. Higher import duties became effective in 1930 and imports of canned tomatoes declined to 2,433,000 cases for 1930-31. The production of tomatoes for the fresh market increased from about 13 million bushels in 1919-20 to nearly 20 million bushels in 1925-26 and since that time has declined to about 17 million bushels. Imports of tomatoes for the fresh market during the winter season, that is, November to May inclusive, totaled less than a million bushels in 1923-24, whereas in 1929-30 about 2,500,000 bushels were imported.

The apparent consumption of American canned tomatoes has averaged slightly less than 13 million cases during the ten-year period ending 1929. During this same period the consumption of other canned vegetables was increasing at the rate of from one-quarter to one-half million cases per year. Although the apparent consumption of American canned tomatoes during this period was fairly stable, the consumption of all tomatoes and tomato products appears to have been increasing. Practically all of this increase in demand, however, appears to have been satisfied from increases in the supplies of fresh and canned tomatoes from sources other than those of the American canners. That portion of the production of United States tomatoes grown for manufacture, which has been replaced by imported canned tomatoes and by fresh tomatoes, has found an outlet through the increased consumption of tomato products, especially tomato juice.

The consumption of all tomatoes, both fresh and canned, appears to be affected to a large extent by the purchasing power of the consumer and the prices of fresh and canned tomatoes. During the last two years the purchasing power of the consumer has been declining very rapidly. Unemployment in urban centers has been increasing and in rural districts the prices of farm products have declined to very low levels. The index of employment which for 1929 was about 100 declined to 95.4 in 1930, 79.3 in 1931 and in February 1932 was 68. The index of prices of farm products in 1929 was 101.5. In 1930 this index had dropped to 86 and in 1931 to 59. In March 1932 it was 44.9 per cent of the 1926 level.

In spite of low employment and decreased prices of farm products, the consumption of canned tomatoes, during 1929-30 and 1930-31, appears to have been about equal to the average for the ten years ending 1929. The consumption of other canned vegetables during the last two years has been trending downward. One reason for the sustained consumption of canned tomatoes during this period has been the relatively low prices of canned tomatoes.

The 1930 pack of 17 million cases was considerably above average and the resulting prices were low. Standard tomatoes, No. 2 cans, averaged about 73 cents per dozen on the Baltimore market during 1930-31. This price was relatively lower than the prices for canned corn and canned peas on that market and equally as low as prices of other competing vegetables. Consequently, the volume of canned tomatoes moving into consuming

channels that year was large relative to other canned vegetables, and somewhat above the 13 million case average. About 2½ million cases were carried over into the 1931-32 season. This carry-over when added to the 1931 pack of less than 10 million cases made a supply somewhat below average. Imports of canned tomatoes during that year were lower than those of any years since 1924-25. The supplies of canned tomatoes were such that, had normal demand conditions prevailed, prices would have been considerably above those at which the 1931 pack has been selling. These smaller supplies, however, were accompanied by decreases in purchasing power, therefore, prices during the 1931-32 season to May 1 were held at a level slightly below the 1930-31 average. This relatively early adjustment of prices to supply and demand conditions was in large part responsible for the normal movement of the 1931 pack into consuming channels.

Prices of canned tomatoes have improved somewhat recently. It is probable that the supplies will be about disposed of by the end of the season, if prices continue at present levels.

The same factors which were responsible for the decline in demand during the last year or so continue to operate. The index of prices of farm products for March was 44.9 per cent of the 1926 level, and the prices of foods in general have continued to decline. The index of employment for February, 1932, was 68 per cent. The effect of this unusually low level of employment on the demand for canned tomatoes may be increasingly important if this level of employment should continue for some time. After the purchasing power of the consumer has declined for a considerable period, there is a greater tendency for reserved buying power to be depleted and for consumers to restrict purchases of foods as well as other commodities more than they did earlier in the period of the decline in employment.

The tomato canning industry's problem of adjusting its 1932 pack to supply conditions is not an easy one. The industry has in the past adjusted its supplies rather rapidly to changes in demand conditions. The plans for these adjustments seem to be influenced for the most part by the prices at which canned tomatoes were selling during the preceding November, December and January. Demand conditions such as those which face the industry now and which may continue through the coming season have not been experienced in recent years.

There is no information at this time regarding the 1932-33 imports of canned or fresh tomatoes nor next year's supplies of other competing vegetables, except that the carry-over of canned corn into next season promises to be large. Consequently, it is

practically impossible to make a definite statement regarding the size of pack which would sell at prices favorable to the tomato canner in 1932-33.

It seems reasonable, however, to assume that a 1932 pack somewhat smaller than the apparent consumption of American canned tomatoes for 1931-32 will about meet domestic requirements.

In a report dated April 21, issued by this Bureau, a representative group of canners expressed their intentions to plant 274,190 acres this year. If these intentions are carried out and the usual abandonment of 1 per cent is realized, there would be about 272,000 acres available for harvest, which would be 7.6 per cent below the acreage harvested in 1931. Owing to the great variability in yields of tomatoes, it is difficult to estimate the size of the crop to be expected from this acreage. If average yields of 4.3 tons per acre are obtained on 272,000 acres, 1,170,000 tons of tomatoes would be produced. A crop of that size, assuming no change in proportion used for manufacture of tomato products, would pack somewhat less than 12 million cases of canned tomatoes, which would be from one-half to a million cases under the apparent consumption of American canned tomatoes for the 1931-32 season.

If the 1932 crop should be produced under growing conditions as favorable as those of 1929, 272,000 acres would produce 1,295,000 tons or a pack of about 13 million cases. A pack of this size would be slightly larger than the 1931-32 apparent consumption.

FINANCE CORPORATION REPORTS ADVERSELY ON STEIWER BILL

The Reconstruction Finance Corporation on April 25 reported adversely to the Senate Banking and Currency Committee on the bill (S. 4320), introduced by Senator Steiwer, which would amend the Reconstruction Finance Corporation Act to provide for loans to producers of canned foods.

The Corporation in its report made a number of objections to the proposed legislation, chief among which was the statement that the bill is contrary to the basic purpose of the law as originally enacted, and that it would place on the Corporation an impossible administrative burden if the Corporation were required to make loans to individuals.

PROCEDURE FOR CANNING CROP LOANS

The following circular describing the procedure for loans on canning crops was issued on April 23 to all county agents, county

loan committees, and field inspectors, by the Washington Regional Office of the Farmers' Seed Loan Office:

Due to the difficulties involved by requiring a first mortgage on all crops where canning crops are involved and where the seed or plants for such canning crops are furnished by the canner, it has been decided to permit the following procedure to be followed:

Where the canner advances funds for plants or seed and has a first lien on the crop, the amount of money which the applicant is permitted to borrow should be based upon his other crops. He should not be permitted to borrow on the canning crops unless the canner waives his interest and permits a first mortgage on all crops, including the canning crops.

Where the canner does not waive, it is permissible for the applicant to submit his application for a loan on his other crops in the regular manner. The mortgage will be recorded on all his crops, including the canning crops, but with the understanding that there will be a second lien on such canning crops instead of a first lien, the second lien merely acting as additional security for the loan made on the other crops.

Both the applicant and the canner should understand and agree that any returns to the applicant from canning crops shall go to reduce the applicant's Government loan after the canner's equity has been satisfied.

The County Committees should see that the applicant lists all crops, including the number of acres of each crop which will be used for the cannery and on which the canner has or will have the first lien. Be certain to specify in the application the particular crops on which the canner will have the first lien, due to the fact that he furnished seed or plants.

For the information of the recording official of your county or township, we are enclosing an extra copy of these instructions which you will please deliver to him.

MODIFICATION OF CONSENT DECREE DENIED

In a decision handed down May 2 in the packers' consent decree case, the Supreme Court, by a vote of four to two, held that the modification of the consent decree, entered by consent of the parties in 1920, which was ordered by the Supreme Court of the District of Columbia was not warranted. The showing of changed conditions in the food industry, it was declared, was not sufficient to justify any relaxation of the prohibitions of the consent decree.

The Supreme Court reversed the decision below and ordered that the petitions of Armour & Company and Swift & Company and Cudahy Packing Company, against whom the consent decree also runs, while not joining in the petition to modify the decree, consent to any modification provided it were applicable to them.

JAPANESE CANNED CRAB STOCKS

Stocks of canned crab on hand in Japan at the end of February were 259,953 cases as compared with 307,751 cases at the end of January, according to the Japan Tinned Food Association.

STRAINED TOMATO PRODUCTS DEFINITIONS APPROVED

The Department of Agriculture has approved the following definitions and standards for strained tomato products as adopted by the Food Standards Committee at its April meeting:

Tomato Puree, Tomato Pulp, is the product resulting from the concentration of the screened or strained fleshy and liquid portions of ripe tomatoes, except those portions from skin and core trimmings; with or without the addition of salt. The product contains not less than 8.37 per cent of tomato solids.

Tomato Paste, Salsa di Pomodoro, "Salsa," is the product resulting from the concentration of the screened or strained fleshy and liquid portions of ripe tomatoes, except those portions from skin and core trimmings; with or without the addition of salt, and with or without the addition of basil. The product contains not less than 22 per cent of tomato solids.

Heavy Tomato Paste, "Concentrato," is tomato paste containing not less than 33 per cent of tomato solids.

Attention is called, in the announcement of these definitions to the fact that "Tomato puree" should not be confused with "puree from trimmings," a term used to denote a product, commonly unconcentrated, sometimes added in the canning of tomatoes.

As noted in last week's Information Letter, the Food Standards Committee has proposed a definition for heavy tomato puree, upon which it invites criticism and suggestions from canners and others.

CORRESPONDENCE IN CONSUMER COMPLAINT CASES

The number of consumer complaints reported to the Association has shown a marked increase under present conditions, and the amount of clerical work involved has increased proportionately.

In many cases it is necessary for the Association to refer copies of reports and correspondence to attorneys. It will save this office much extra work if members will send an extra copy of all letters that they write to the Association concerning these complaints and duplicate copies of any other papers that accompany such letters.

TRIBUTE TO CHARACTER OF R. I. BENTLEY

In a resolution prepared by a special committee appointed by President Marc C. Hutchinson at the meeting of the Administrative Council held in Chicago in March, fitting tribute is paid to the character, the leadership, and loyalty of the late R. I. Bentley, long a member of the Administrative Council. An engrossed copy of the resolution will be presented to Mrs. R. I.

Bentley by Mr. Elmer E. Chase, who with Mr. E. G. McDougall and Mr. Frank Gerber formed the committee appointed by President Hutchinson. The resolution, which voices the feeling of all who knew Mr. Bentley and his place and influence in the canning industry, follows:

In the passing of R. I. Bentley, the canning industry has lost a great friend and leader. His has been a magnificent contribution.

The course followed by this Association owes much of its sense of direction to his vision. The scientific activities which have become so fundamental a part of its work are in no small measure the result of his keen discernment of values. His sound judgment has always been a reliable guide.

But apart from these sterner business faculties, we shall remember the kindliness which characterized his association with men. He understood men and inspired them. He shunned ostentation, and a quiet, self-effacing manner served but to emphasize the vigor of his influence.

And so we acknowledge our deep sorrow for the loss of a man of high character; a friend who was loyal and a leader whose influence will last through the years.

We extend to his business associates our regrets for the loss of his able and constructive direction and counsel, and to his family our most sincere sympathy, and the hope that our deep appreciation of his life may assuage their grief for his death.

TRUCK CROP SHIPMENTS

Total forwardings of 29 fruits and vegetables decreased to 14,835 cars for the week ended April 30, and were fully 4,000 cars lighter than shipments of the same period last spring.

Green pea shipments from California decreased to 125 cars, while South Carolina increased to about 35 and Mississippi originated 20 carloads. Total output of peas was exactly half that of a year ago.

Spinach movement from Virginia decreased to 165 carloads; Maryland moved 10 cars, and shipments of 20 carloads began in Arkansas.

Asparagus shipments were only 335 cars, of which California furnished 185, South Carolina 110, Georgia 10 and Washington 25 cars.

Strawberry forwardings reached a high point of 1,240 cars. Peak shipments of the 1931 season came around the middle of May.

Tomato shipments from Florida increased slightly to about 345 cars. Arrivals from Cuba dropped to around 20, while imports from Mexico increased to 460 cars for the week. Receipts of Mexican tomatoes were exceptionally heavy during April, totaling almost 1,600 cars.

Carrot shipments decreased slightly to about 270 cars, because Texas' output dropped to 70. California movement increased to 165; Arizona shipped 30 cars, but New York only seven.

Florida snap bean shipments increased to about 75 cars, or one-fifth of the total for the same period last season when both Florida and Texas were active.

CARLOT SHIPMENTS

Commodity	April 24-30 1932	April 17-23 1932	April 26-May 2, 1931	Total this season thru April 30	Total last season thru May 2	Total last season
Apples, total	759	873	815	98,185	107,203	109,794
Western states	513	586	647	44,830	64,338	66,538
Eastern states	246	287	168	53,335	42,865	43,256
Asparagus	337	467	307	3,449	3,107	3,866
Beans, snap and lima	79	63	413	6,112	3,734	9,344
Beets	44	61	79	893	1,145	1,702
Cabbage	461	672	1,033	9,768	13,753	37,804
Carrots:						
1932 season	263	284	389	4,924	6,438	11,452
1931 season	7	10	51	11,452	12,134	12,437
Cauliflower	98	96	138	9,284	9,466	9,611
Greens (except spinach)	31	45	23	2,876	1,576	1,648
Mixed vegetables:						
Domestic	586	760	948	11,909	14,025	28,558
Imports	12	18	6	150	278	298
Pears	44	48	49	19,989	28,663	28,828
Peas, green	179	209	342	2,415	2,917	7,183
Peppers:						
Domestic	59	68	45	1,671	1,531	2,818
Imports	27	24	14	180	335	360
Spinach	204	297	231	7,772	8,888	9,768
Tomatoes:						
Domestic	345	331	221	5,241	2,508	27,842
Imports	482	489	302	4,733	5,558	5,755
Turnips and Rutabagas:						
1932 season	2	3	16	137	400	1,333
1931 season—						
Domestic	1	1	1	1,333	1,649	1,668
Imports	13	21	1	1,359	363	914

CAR LOADINGS

	Total	Miscellaneous	Merchandise L. C. L.	Other
Week ended April 23	562,380	204,324	185,119	172,937
Previous week	566,729	205,076	186,924	174,729
Corresponding week, 1931	758,503	312,826	224,137	221,540
Corresponding week, 1930	906,879	369,808	247,354	289,717

SPICES TO BE DENIED CONDITIONAL RELEASE AFTER FEBRUARY 1, 1933

Secretary of Agriculture Hyde has signed an order notifying importers and shippers that after February 1, 1933, the Department will not allow conditional releases of crude drugs and crude spices found to contain excess matter, organic or inorganic, and therefore found to be adulterated under the Federal Food and Drugs Act. Failure of the goods to meet the requirements

of the U. S. Pharmacopoeia, the National Formulary, or publicly announced administrative standards will be regarded as adulteration. After the date set by the Secretary, the Department will require destruction or reexportation of crude drugs and crude spices which fail to meet prescribed standards.

BUSINESS INDICATORS

(Weeks ended Saturday; weekly average 1923-1925=100)

	1932			1931		1930	
	April 30	April 23	April 16	May 2	April 25	May 3	April 26
Composite Index:*							
New York Times	58.4	†59.7	79.2	79.4	95.7	95.4	
Business Week	57.0	†58.6	79.4	79.5	94.2	94.1	
Freight car loadings	58.7	59.1	80.9	†79.1	98.3	94.6	
Wholesale prices (Fisher's):							
All commodities	61.8	61.8	62.4	73.1	74.0	89.7	90.2
Agricultural products	44.2	44.4	45.2	62.8	63.9	94.2	95.1
Non-agricultural products	65.8	65.5	65.7	76.1	77.1	87.5	87.8
Bank debits outside N. Y. City	63.4	72.4	67.4	95.1	102.7	120.4	116.1
Bond prices	84.5	84.9	82.8	106.3	106.6	106.0	105.9
Stock prices	52.7	53.4	55.6	141.2	146.3	233.0	244.5
Interest rates:							
Call money	60.6	60.6	60.6	36.4	36.4	92.1	97.0
Time money	46.6	55.3	63.8	45.7	46.6	97.1	100.0
Business failures	164.6	162.9	160.4	130.7	150.4	116.0	134.4

* Relative to a computed normal taken as 100.
† Revised.

SPECIAL TAX ON CANNED PINEAPPLE IMPORTS INTO FRANCE

A law establishing a special tax of 0.30 franc per kilo net on pineapple in syrup and 0.15 franc per kilo net on pineapple in juice on importation into France was published in the French Journal Officiel for April 28, 1932, and became effective immediately, according to the American commercial attache at Paris.

CANNING INDUSTRY IN GREECE

There are twenty-five canning plants in Greece, according to the American vice consul at Athens, and they employ about 1,000 people, showing that few factories are of important size. The annual output of preserved vegetables and fruits is estimated at about 1,760 short tons, consisting mainly of canned tomatoes, tomato sauce, okra, eggplants, fresh beans, vine leaves, peas and fruits.

EXPORTS OF SARDINES FROM PORTUGAL

Portuguese exports of canned sardines in 1931 totaled 49,958 short tons as compared with 38,669 tons in 1930. The exports in 1931 to the principal countries were: France, 18,017; Germany, 11,752; Great Britain, 6,508; United States, 4,100; Belgium, 3,395.

AUSTRIA REQUIRES PERMITS FOR CANNED FRUIT IMPORTS

Effective April 30, 1932, an Austrian Government decree requires the obtaining of permits for importation into Austria for a varied list of products, including canned and other fruit, according to the American commercial attache at Vienna.

BRITISH DUTY ON CANNED VEGETABLES RAISED

The following radiogram dated April 22 was received by the Department of Commerce from the American commercial attache at London:

"New tariff order revokes all abnormal import duties on manufactured goods effective April 26 and imposes effective same date varying rates on these and most other classes of manufactured goods, with 20 per cent as principal new rate, Empire goods remaining on free list. New rate on canned vegetables, except tomatoes, is 25 per cent; artificially dried fruit, 25 per cent."

BEAN ROOT ROT AND SOIL ACIDITY

Reasons for the variation in occurrence and severity of root rot of beans in New York State have been studied by Dr. W. H. Burkholder of Cornell University. The results were published in the Journal of Agricultural Research for January 15, 1932.

Soil moisture has been found to act only in a mechanical manner. "If there is sufficient moisture in the soil, the roots, even though severely rotted, are able to supply water and inorganic food to the plant in such quantities that the reduction in yield of seed is slight. If the soil is dry, however, the yield may be reduced as much as 50 per cent."

Extensive tests were made to determine the effect of soil pH (hydrogen ion concentration—a measure of acidity) on root rot. It was found that the susceptibility of beans to root rot is not affected by this factor and that the bean plant itself appears to be little affected, thriving well in an acid or in an alkaline soil.

"PLAIN FACTS" IN SPANISH

In Information Letter No. 451, note was made of the fact that Bulletin No. 111-A, "Plain Facts about Canned Foods and What Eminent Men Say," had been translated into Japanese and published in Japan. Permission has now been granted for the translation of the booklet into Spanish, an Argentine firm asking this privilege in order that it might give circulation to the facts in that country.

FACTORS INFLUENCING VITAMIN CONTENT OF FOODS

The Pennsylvania Experiment Station and State College has published a bulletin on factors influencing the vitamin content of foods, by Dr. R. Adams Dutcher. With reference to the effect of cooking and canning, Dr. Dutcher, after describing some of the fundamental principles involved in conserving vitamins in canned foods, states:

> Of the more recent work, that of Kohman and Eddy and coworkers seems to be of the greatest interest from a practical standpoint. For nearly 10 years these investigators have studied the various phases of heating, cooking and sterilization which might lead to more intelligent and scientific methods of processing canned fruits and vegetables in order that they might retain a maximum amount of the original vitamins contained in the raw materials (85). This has been accomplished by removing dissolved oxygen, in water and in food materials, by vacuum and by steam.
>
> These investigators have succeeded in rearing several generations of rats and guinea pigs on diets consisting solely of canned foods, showing that modern scientific methods of manufacture have progressed to the point where canned goods are practically equal, in nutritive value, to the fresh food materials from which they were made.

BACTERIAL SPOT DISEASE OF THE PEACH

The bacterial spot disease of the peach and other stone fruits is the subject of Technical Bulletin No. 273 issued by the U. S. Department of Agriculture in January. This is an illustrated publication of 54 pages furnishing information as to the disease and control measures, and likewise giving a complete list of references to publications on the subject.

MERCHANDISING CHARACTERISTICS OF GROCERY STORE COMMODITIES

The Bureau of Foreign and Domestic Commerce has published in book form the third section of its report, based on the Louisville Grocery Survey, on "Merchandising Characteristics of Grocery Store Commodities." Canned foods are included among the dry groceries covered by this report, and the information on canned foods is along the same lines as that previously made available in preliminary mimeograph reports. The book of 169 pages is published as Distribution Cost Study No. 13. Copies are available from the Superintendent of Documents, Government Printing Office, Washington, for 30 cents each.

ASPARAGUS, BEANS AND SWEET POTATOES STUDIED IN LOUISIANA

The latest report of the Louisiana State Experiment Station summarizes recent experiments with asparagus, beans and sweet potatoes.

Studies on asparagus include time of cutting, effect of sex

of plants on yield and care of spears, age to begin cutting, and fertilizer requirements.

Fertilizer investigations with Giant Stringless Green Pod beans included application of 4-8-4 fertilizer up to 1200 lbs. per acre. From 200 to 400 pounds per acre produced as high yields as heavier applications. In one experiment the application of nitrogen was profitable up to 6 per cent, while in another nitrogen was of doubtful value. Phosphate was more consistently profitable than nitrogen or potash, the most economical gains being made from 4 to 8 per cent applications. Potash results were variable with 2 per cent proving consistently profitable.

In spacing tests with the drill method of seeding, 2 to 3 inches proved the best distance. Where the hill method was used, spacing of 6 inches apart in the row and 3 seed to the hill was the best.

In fertilizer experiments with the Porto Rico variety of sweet potato 4-8-4 fertilizer was applied up to 1,000 pounds per acre. Two per cent nitrogen was found to be as profitable as greater amounts. Slight increases were obtained from phosphate up to the application of 12 per cent. Potash was as profitable at a 2 per cent application as when more was used. No significant difference in yield was obtained from rates between 200 lbs. and 1000 lbs. per acre. The application of 600 pounds per acre gave the highest yield.

In studies of plant spacing the intervals varied from 9 to 21 inches. Twelve-inch spacing was best, closely followed by the 15-inch spacing.

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In spite of low employment and decreased prices of farm products, the consumption of canned tomatoes, during 1929-30 and 1930-31, appears to have been about equal to the average for the ten years ending 1929. The consumption of other canned vegetables during the last two years has been trending downward. One reason for the sustained consumption of canned tomatoes during this period has been the relatively low prices of canned tomatoes.

The 1930 pack of 17 million cases was considerably above average and the resulting prices were low. Standard tomatoes, No. 2 cans, averaged about 73 cents per dozen on the Baltimore market during 1930-31. This price was relatively lower than the prices for canned corn and canned peas on that market and equally as low as prices of other competing vegetables. Consequently, the volume of canned tomatoes moving into consuming

channels that year was large relative to other canned vegetables, and somewhat above the 13 million case average. About 2½ million cases were carried over into the 1931-32 season. This carry-over when added to the 1931 pack of less than 10 million cases made a supply somewhat below average. Imports of canned tomatoes during that year were lower than those of any years since 1924-25. The supplies of canned tomatoes were such that, had normal demand conditions prevailed, prices would have been considerably above those at which the 1931 pack has been selling. These smaller supplies, however, were accompanied by decreases in purchasing power, therefore, prices during the 1931-32 season to May 1 were held at a level slightly below the 1930-31 average. This relatively early adjustment of prices to supply and demand conditions was in large part responsible for the normal movement of the 1931 pack into consuming channels.

Prices of canned tomatoes have improved somewhat recently. It is probable that the supplies will be about disposed of by the end of the season, if prices continue at present levels.

The same factors which were responsible for the decline in demand during the last year or so continue to operate. The index of prices of farm products for March was 44.9 per cent of the 1926 level, and the prices of foods in general have continued to decline. The index of employment for February, 1932, was 68 per cent. The effect of this unusually low level of employment on the demand for canned tomatoes may be increasingly important if this level of employment should continue for some time. After the purchasing power of the consumer has declined for a considerable period, there is a greater tendency for reserved buying power to be depleted and for consumers to restrict purchases of foods as well as other commodities more than they did earlier in the period of the decline in employment.

The tomato canning industry's problem of adjusting its 1932 pack to supply conditions is not an easy one. The industry has in the past adjusted its supplies rather rapidly to changes in demand conditions. The plans for these adjustments seem to be influenced for the most part by the prices at which canned tomatoes were selling during the preceding November, December and January. Demand conditions such as those which face the industry now and which may continue through the coming season have not been experienced in recent years.

There is no information at this time regarding the 1932-33 imports of canned or fresh tomatoes nor next year's supplies of other competing vegetables, except that the carry-over of canned corn into next season promises to be large. Consequently, it is